

File of
New Compensation
System

12 May 1987

MEMORANDUM FOR THE RECORD

SUBJECT: HPSCI Briefing on Personnel Compensation Plan

1. Ted Price, director of the Office of Personnel, and [redacted], head of the Agency task force responsible for developing a new personnel compensation plan, briefed HPSCI staff members 11 May on our progress in developing a new compensation/benefits plan for Agency employees. Also attending the meeting from the Agency were [redacted] Office of Congressional Affairs; and [redacted] Office of the Comptroller. Staff members in attendance were: Tom Latimer, staff director; and members Mike O'Neill, Duane Andrews, Calvin Humphrey, and Bernie Raimo. [redacted]

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2. [redacted] discussed some of the new initiatives the task force is assessing and said a draft plan will be circulated to the deputy directors on 25 June for their comments. Among the new ideas under review are:

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- A more flexible position classification system, with classification authority delegated to the deputies.
- Annual salary review for each job category and greater use of bonuses as part of an "earn it each year" mentality.
- A salary incentive program for those working on designated "dangerous" projects.
- Cash payments for forfeited annual leave, a sick leave "bank", and more annual leave carryover.
- Annual cash payment for SIS leave balances to reduce the Agency's large unfunded liability. [redacted]

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3. Staff Director Latimer said the problem of personnel compensation is "bigger than the CIA" and that members want to "step back for a larger view." This argument was repeated by O'Neill and Andrews. [redacted] responded that in his contacts with Office of Personnel Management and Office of Management and Budget, he has learned that "90 percent" of the Federal Government either has implemented some of our new ideas, endorses these ideas and would like to see their effective implementation at CIA, or is considering similar changes itself. All staffers agreed that they will need a better understanding of the proposals once they are defined. [redacted]

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4. There was a lengthy discussion of the problems of retention in the Federal workforce and competitiveness with the private sector. The staffers

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~~requested some data from the Office of Personnel on those who have left the Agency: What grade were they? Why did they leave? For whom are they now working?~~ Price and [] have the action. The use of the bonus within this context also was discussed. Latimer summarized the problem as being one of "pay more, retain more"; he said he didn't need a task force to figure that out. []

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5. In conclusion, the staffers asked to be kept apprised of developments. Andrews "cautioned" about circulating among the employees innovative ideas for personnel compensation/benefits that may not be implemented. []

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6. Latimer asked to visit our new "annex"--as long as he doesn't have to wear a hardhat. [] will follow up. []

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Analysis Group

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